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# State of Utah Department of Commerce Division of Securities

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## NEWS RELEASE

October 16, 2006

### **Unlicensed Broker Agrees to Offer Refunds, Pay Fine, Get Licensed** ***President of Texas firm sold investments in Utah without being licensed. . .***

**SALT LAKE CITY, Utah** – The Utah Securities Advisory Board approved an order today imposing sanctions against D.E. Wine Investments, Inc., of Houston, Texas and its president, Duncan E. Wine. Wine Investments and Wine were ordered to pay a \$2,500 fine, offer rescission to Utah investors. Wine was ordered to cease conducting securities business in Utah until he is licensed here.

In the Stipulation and Consent Order, D.E. Wine Investments and Duncan Wine admitted violating Utah's securities laws based on Duncan Wine having transacted business here without being licensed, and the firm employing unlicensed agents and failing to reasonably supervise the firm's securities agents. The company, through Wine, its president, solicited Utah customers to purchase stock and convertible notes in two companies.

One customer was sold 15,000 shares of stock in Calypso Wireless, Inc. at a price of \$1.50 per share. Because Wine was not licensed in Utah, he must offer to rescind the transaction. The stock of Calypso Wireless currently is trading for \$0.02 per share. A second customer was sold \$28,500 in convertible notes from a new company, Gridline Communications Holdings and will be offered rescission of those transactions.

These violations were discovered during the Division's review of documents related to a securities offering by Gridline Communications. Wine Investments and Duncan Wine cooperated fully in the investigation and agreed to come into compliance. The sanctions are lighter than those that ordinarily would be imposed, reflecting the company's cooperation with the investigation.